

## Message Text

PAGE 01 STATE 204226  
ORIGIN AF-10

INFO OCT-01 ISO-00 SS-15 H-02 PA-02 ICA-20 SP-02  
NSC-05 EB-08 HA-05 IO-14 CIAE-00 INR-10 NSAE-00  
COME-00 TRSE-00 /094 R

DRAFTED BY AF/S: JCTAYLOR:GFH  
APPROVED BY AF/S: GEORGE MOOSE  
-----064929 120209Z /61

P 112342Z AUG 78  
FM SECSTATE WASHDC  
TO AMEMBASSY PRETORIA PRIORITY  
AMCONSUL JOHANNESBURG PRIORITY  
AMCONSUL CAPE TOWN PRIORITY  
AMCONSUL DURBAN PRIORITY

UNCLAS STATE 204226

E.O. 11652: N/A

TAGS: PINT, EINV, SF

SUBJECT: MR. MOOSE'S TESTIMONY BEFORE HIRC AUGUST 10

1. ASSISTANT SECRETARY MOOSE TESTIFIED AUGUST 10  
BEFORE JOINT SUBCOMMITTEES ON AFRICA AND INTERNATIONAL  
ECONOMIC POLICY AND TRADE OF HIRC REGARDING U.S.  
POLICY TOWARD SOUTH AFRICA. TEXT OF MR. MOOSE'S  
STATEMENT FOLLOWS:

2. MR. CHAIRMAN, I AM PLEASED TO BE HERE TODAY  
ON BEHALF OF THE DEPARTMENT OF STATE TO TESTIFY ON  
H.R. 12463, INTRODUCED BY CONGRESSMAN SOLARZ, AND  
ALSO TO COMMENT ON THE BILLS INTRODUCED BY CHAIRMAN  
DIGGS AND REPRESENTATIVE BINGHAM. I HAVE A FAIRLY  
BRIEF STATEMENT AND THEN WILL ANSWER ANY QUESTIONS  
YOU AND YOUR COLLEAGUES MAY HAVE.  
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3. LET ME BEGIN BY NOTING THAT THE ADMINISTRATION  
IS IN FULL AGREEMENT WITH WHAT WE SEE AS THE  
UNDERLYING OBJECTIVES, ALTHOUGH EXPRESSED DIFFERENTLY  
IN EACH, OF ALL THREE BILLS:

4. 1) TO DRIVE HOME TO THE SOUTH AFRICAN  
GOVERNMENT THE NECESSITY OF FUNDAMENTAL POLITICAL  
CHANGE, AWAY FROM APARTHEID AND TOWARD A SYSTEM IN  
WHICH ALL SOUTH AFRICANS CAN PARTICIPATE;

5. 2) TO MAKE CLEAR TO SOUTH AFRICA THAT IF SUCH CHANGE DOES NOT OCCUR, RELATIONS BETWEEN OUR TWO COUNTRIES WILL INEVITABLY DETERIORATE; AND

6. 3) TO ENCOURAGE U.S. FIRMS THAT ARE ALREADY OPERATING IN SOUTH AFRICA TO ADOPT ENLIGHTENED LABOR PRACTICES.

7. I MIGHT BEGIN HERE BY RECALLING THE CONCERN EXPRESSED BY SECRETARY VANCE ON JUNE 20 IN ADDRESSING THE PROBLEMS OF SOUTHERN AFRICA. A BASIC PREMISE OF OUR POLICY IS THAT CHANGE -- FUNDAMENTAL CHANGE -- IS COMING IN THAT PART OF THE CONTINENT. IT IS OUR BELIEF THAT IT SHOULD. AND IT IS OUR HARD-HEADED ASSESSMENT THAT IT WILL. THE QUESTION -- THE ONLY REAL QUESTION -- IS WHETHER THAT CHANGE WILL BE PEACEFUL OR VIOLENT, CONSTRUCTIVE OR DESTRUCTIVE. OUR COMMITMENT, ABOUT WHICH THERE SHOULD BE NO DOUBT WHATSOEVER, IS FOR PEACEFUL CHANGE. WE HAVE SOUGHT TO DEVELOP POLICIES THAT WILL PROMOTE IT. IT IS AGAINST THIS BACKDROP THAT WE HAVE DEVELOPED OUR POLICY TOWARD SOUTH AFRICA.  
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8. IN MAY OF LAST YEAR, WE INFORMED THE SOUTH AFRICAN GOVERNMENT THAT WE FELT IT ESSENTIAL THAT THEY MOVE AWAY FROM DISCRIMINATION AND APARTHEID AND TOWARD A SYSTEM IN WHICH ALL SOUTH AFRICANS-- WHITE AND NONWHITE--COULD SHARE IN MAKING BASIC DECISIONS ABOUT THE FUTURE OF THAT SOCIETY. WE MADE IT CLEAR THAT, IN THE ABSENCE OF MEANINGFUL PROGRESS, RELATIONS BETWEEN OUR COUNTRIES WOULD BE ADVERSELY AFFECTED.

9. OUR ACTIONS TO DATE, IN PURSUIT OF THAT POLICY, HAVE INCLUDED SUPPORT OF THE UN MANDATORY ARMS EMBARGO, WITHDRAWAL OF OUR NAVAL ATTACHE, AND AN EMBARGO--AT OUR OWN INITIATIVE--ON ANY EXPORTS TO OR FOR THE SOUTH AFRICAN MILITARY AND POLICE. TAKEN TOGETHER, THESE ACTIONS HAVE CONVEYED A STRONG AND SERIOUS MESSAGE TO PRETORIA.

10. NOR HAS REACTION TO THE SITUATION IN SOUTH AFRICA BEEN ILLUSTRATED BY ACTIONS TAKEN BY THE EXECUTIVE BRANCH ALONE. THE ACTION OF THE CONGRESS LATE LAST YEAR IN PASSING THE COLLINS RESOLUTION SHOULD HAVE LEFT NO DOUBT ABOUT THE DEPTH AND BREADTH OF PUBLIC AND CONGRESSIONAL CONCERN ABOUT SOUTH AFRICA'S INTERNAL POLICIES. THIS CONCERN IS REFLECTED IN THE VARIOUS LEGISLATIVE PROPOSALS WHICH HAVE BEEN ADVANCED, AND ALSO IN THE MANY

ACTIONS TAKEN BY UNIVERSITIES, BANKS, CORPORATIONS AND OTHER PRIVATE ORGANIZATIONS--ALL DESIGNED IN ONE WAY OR ANOTHER, TO EXPRESS CONCERN ABOUT THE SITUATION IN SOUTH AFRICA AND TO RESPOND TO IT.

11. IN THIS CONNECTION, THE ADMINISTRATION STRONGLY BELIEVES THAT AMERICAN CORPORATIONS OPERATING IN UNCLASSIFIED

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SOUTH AFRICA CAN AND SHOULD ACT AS A POSITIVE FORCE FOR CHANGE THROUGH THE ADOPTION OF ENLIGHTENED LABOR PRACTICES. IN 1973 AND 1974, THE DEPARTMENT OF STATE ISSUED STATEMENTS OF PRINCIPLES FOR U.S. FIRMS WITH SUBSIDIARIES IN SOUTH AFRICA. WE HAVE ENDORSED THE PRIVATE EFFORTS OF THE REVEREND LEON SULLIVAN AND HIS STATEMENT OF PRINCIPLES, AND WE NOTE THAT 103 AMERICAN FIRMS REPRESENTING THE VAST MAJORITY OF EMPLOYEES IN QUESTION HAVE SUBSCRIBED TO THE PRINCIPLES, AND WOULD ADD THAT THE ADMINISTRATION WILL FOLLOW WITH INTEREST THE RECENT EXPANSION AND ELABORATION OF THE SULLIVAN PRINCIPLES.

12. WE ARE UNDER NO ILLUSIONS THAT THE STEPS WE HAVE TAKEN HAVE INDUCED THE SOUTH AFRICANS TO FUNDAMENTALLY CHANGE THEIR PRESENT POLICY. BY ITS ACTIONS, INACTIONS AND STATEMENTS, THE SOUTH AFRICAN GOVERNMENT HAS CLEARLY INDICATED ITS INTENTION TO ADHERE TO THE BASICS OF APARTHEID. WE DO BELIEVE, HOWEVER, THAT THE BEST WAY TO ACHIEVE OUR OBJECTIVES IN SOUTH AFRICA IS BY STEADY, RESOLUTE APPLICATION OF OUR STATED POLICY.

13. UNFORTUNATELY, EVEN SHOULD WE WISH IT OTHERWISE, OUR OPTIONS ARE LIMITED. FOR THAT REASON, WE BELIEVE IT ESSENTIAL TO USE THOSE STEPS AT OUR DISPOSAL IN WAYS AND AT TIMES WHEN WE JUDGE THEY WOULD HAVE MAXIMUM EFFECT. THE ACTIONS AND EXPRESSIONS OF THE US AND OTHER MEMBERS OF THE WORLD COMMUNITY HAVE PUT A MEASURE OF PRESSURE ON SOUTH AFRICA; WE FEEL IT ESSENTIAL TO GIVE THESE ACTIONS TIME TO

WORK.  
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14. A MAJOR SHIFT IN THE U.S. GOVERNMENT'S POSITION WITH RESPECT TO U.S. PRIVATE INVESTMENTS IN SOUTH AFRICA WOULD REPRESENT A FUNDAMENTAL CHANGE IN OUR POLICY TOWARD SOUTH AFRICA. AS SUCH, IT WOULD HAVE FAR-REACHING CONSEQUENCES FOR U.S.-SOUTH AFRICAN RELATIONS. I HOPE THAT POSITIVE CHANGES

IN SOUTH AFRICA'S RACIAL POLICIES WILL OBTAIN THE NEED FOR ANY SUCH ACTION. IF EVENTS PROVE OTHERWISE, WE MAY HAVE TO CONSIDER THE INVESTMENT QUESTION. THERE ARE, OF COURSE, A VARIETY OF WAYS IN WHICH THIS MIGHT BE APPROACHED -- FOR EXAMPLE, DISCOURAGEMENT BY ADMINISTRATIVE ACTION, AS OPPOSED TO PROHIBITION BY LEGISLATIVE ACTION. THE LATTER POSES CERTAIN SPECIFIC DIFFICULTIES, WHICH MY COLLEAGUES WILL BE ADDRESSING IN THIS TESTIMONY.

15. ONE CONCERN OF THE ADMINISTRATION IS THAT LEGISLATION ENACTED NOW WOULD PREEMPT US FROM ACTING IN THE ECONOMIC AREA IN A MANNER AND AT A MOMENT MORE LIKELY TO PRODUCE POSITIVE CHANGES IN SOUTH AFRICA. WE DO NOT FEEL, FOR VARIOUS REASONS, THAT NOW IS THE BEST TIME. LET ME TOUCH BRIEFLY ON THESE.

16. SOUTH AFRICA'S REACTION TO INCREASING UNITED STATES AND INTERNATIONAL PRESSURE AGAINST APARTHEID HAS BEEN HOSTILE. AMERICAN POLICIES IN PARTICULAR HAVE BEEN ATTACKED BY SOUTH AFRICAN LEADERS AS DESTRUCTIVE AND INSENSITIVE TO THE FUTURE OF WHITES, THEIR RIGHTS AND THEIR SECURITY. IN OUR VIEW NOTHING COULD BE FURTHER FROM THE TRUTH. WE HAVE TRIED, UNFORTUNATELY WITH LITTLE SUCCESS, TO PERSUADE SOUTH AFRICAN LEADERS THAT WE CARE ABOUT THE RIGHTS OF ALL THE CITIZENS OF SOUTH AFRICA AND THAT WE DO NOT WISH TO SEE THE WHITES DRIVEN FROM UNCLASSIFIED

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THEIR HOME. BUT, AS WE SEE IT, ONLY THROUGH MEANINGFUL EXCHANGE OF VIEWS BY REPRESENTATIVES OF ALL GROUPS, CAN CHANGE COME IN A WAY THAT WILL ASSURE THE RIGHTS OF ALL THE PEOPLE OF SOUTH AFRICA.

17. PROBABLY THE MOST IMPORTANT THING WE COULD DO NOW TO PROMOTE CONSTRUCTIVE CHANGE IN SOUTH AFRICA

IS TO ACHIEVE JUST AND PEACEFUL SETTLEMENTS IN RHODESIA AND NAMIBIA. IF THESE PROBLEMS ARE RESOLVED THROUGH DEMOCRATIC ELECTIONS, WITH PROTECTION OF THE RIGHTS OF ALL INDIVIDUALS, BLACK AND WHITE, IT WILL DO MORE TO ENCOURAGE SIMILAR CHANGE IN SOUTH AFRICA THAN ANYTHING THE UNITED STATES MIGHT DO NOW IN OUR BILATERAL ECONOMIC RELATIONS.

18. AT THE BEGINNING OF THE ADMINISTRATION, THE DECISION WAS MADE THAT WE MUST WORK FOR PROGRESS ON ALL THREE PROBLEMS--RHODESIA, NAMIBIA AND SOUTH AFRICA ITSELF. WE BELIEVED THAT IT WAS IN SOUTH

AFRICA'S INTEREST TO HELP ASSURE PEACEFUL CHANGE  
IN THE NEIGHBORING COUNTRIES, AND THAT IT WOULD  
WORK ON THESE PROBLEMS EVEN THOUGH OUR OPPOSITION  
TO ITS INTERNAL POLICIES WAS -- AND IS -- CLEAR.  
WE BELIEVE THIS ASSUMPTION HOLDS TRUE.

19. WE ARE NOW AT A CRITICAL STAGE IN NEGOTIATIONS  
ON NAMIBIA AND RHODESIA, AND OUR ABILITY TO WORK  
WITH SOUTH AFRICA FOR PEACEFUL CHANGE IS EXTREMELY  
IMPORTANT. IT IS ESSENTIAL TO GAIN SOUTH AFRICA'S  
CONFIDENCE THAT WE ARE GENUINELY COMMITTED TO  
SOLUTIONS TO THE RHODESIA AND NAMIBIA PROBLEMS  
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WHICH WILL ENABLE ALL GROUPS TO WORK TOGETHER AND  
WILL PROTECT THE RIGHTS OF ALL INDIVIDUALS. A  
SIGNIFICANT ACT TAKEN NOW TO REDUCE OUR TIES WITH  
SOUTH AFRICA, SUCH AS PROHIBITING NEW INVESTMENT,  
COULD REINFORCE SOUTH AFRICAN SUSPICIONS THAT OUR  
EFFORTS ARE AIMED AGAINST THE WHITE MINORITIES OF  
SOUTHERN AFRICA.

20. THIS DOES NOT, IN ANY WAY, MEAN THAT WE ARE  
CHANGING OUR POLICY WITH REGARD TO APARTHEID. IT  
DOES MEAN THAT WE NEED TO ACT WITH A CAREFUL  
REGARD FOR TIMING AND FOR THE ACTUAL EFFECTS OF  
OUR DECISIONS ON SOUTH AFRICAN DECISIONS. IF WE  
PERSUADE THE WHITE SOUTH AFRICANS THAT WE ARE  
SIMPLY HOSTILE TO THEM -- RATHER THAN TO APARTHEID --  
WE GIVE UP THE POSSIBILITY OF INFLUENCING THEM  
CONSTRUCTIVELY.

21. I HAVE NO DOUBT THAT THIS LEGISLATION, IF  
ENACTED, WOULD BE APPLAUDED BY SOME AS A FURTHER  
STEP IN THE RIGHT DIRECTION. BUT I BELIEVE THAT  
EVEN IF THIS ACTION SATISFIED THOSE WHO HAVE URGED  
STRONGER ACTION, IT WOULD NOT ADDRESS THE QUESTION

I HAVE DISCUSSED ABOVE--HOW TO PURSUE A POLICY TOWARD  
SOUTH AFRICA WHICH IS FIRM, MEASURED AND CALCULATED TO  
PROMOTE FUNDAMENTAL CHANGE FROM WITHIN. THIS IS A DIFFICULT  
ISSUE. MANY DIFFERENT COURSES OF ACTION ARE ADVOCATED;  
SOME URGE MUCH STRONGER ACTION, AND OTHERS URGE WHAT  
WOULD BE, IN EFFECT, A REVERSION TO PREVIOUS POLICY.  
WHAT WE OURSELVES MUST DO IS ASSESS THE SITUATION AS  
BEST WE CAN, AND CAREFULLY DEVISE POLICIES CALCULATED TO  
ADVANCE OUR OBJECTIVES--IN SOUTH AFRICA AND IN THE  
REGION--WITH MAXIMUM EFFECTIVENESS. THAT IS WHAT  
WE HAVE DONE AND ARE DOING.

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22. WE WILL CONTINUE TO FOLLOW THE SITUATION CLOSELY, TO MONITOR EVENTS WITHIN SOUTH AFRICA, AND TO REVIEW THE VARIOUS POLICY OPTIONS AVAILABLE TO US IN LIGHT OF THE CIRCUMSTANCES. WE CERTAINLY DO NOT RULE OUT FUTURE ACTIONS--EITHER DIRECTLY BY THE EXECUTIVE UNDER EXISTING AUTHORITY, OR BY MEANS OF NEW LEGISLATION WHICH WE WOULD RECOMMEND TO THE CONGRESS. THE KEY TEST, LET ME RE-ITERATE, WILL BE WHETHER AND TO WHAT DEGREE THE SOUTH AFRICAN GOVERNMENT SHOWS A WILLINGNESS TO RECONSIDER ITS EXISTING POLICIES AND MOVE--AS WE CONSIDER ON BOTH MORAL AND INTENSELY PRACTICAL GROUNDS IT MUST--IN THE DIRECTION OF FUNDAMENTAL CHANGE. END OF TEXT.

23. COMMERCE AND TREASURY REPRESENTATIVES ALSO PRESENTED STATEMENTS WHICH ARE BEING POUCHED TO PRETORIA.

CHRISTOPHER

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ORIGIN AF-03

INFO OCT-01 ISO-00 IO-03 /007 R

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APPROVED BY:AF/O:LGSHURTLEFF

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FM SECSTATE WASHDC

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AMEMBASSY LAGOS

AMEMBASSY DAR ES SALAAM

AMEMBASSY MAPUTO

AMEMBASSY GABORONE

AMEMBASSY LUSAKA

UNCLAS STATE 204226

FOLLOWING REPEAT STATE 204226 ACTION PRETORIA JOHANNESBURG  
CAPE TOWN DURBAN AUG 11.

QUOTE: UNCLAS STATE 204226

E.O. 11652: N/A

TAGS: PINT, EINV, SF

SUBJECT: MR. MOOSE'S TESTIMONY BEFORE HIRC AUGUST 10

1. ASSISTANT SECRETARY MOOSE TESTIFIED AUGUST 10 BEFORE JOINT SUBCOMMITTEES ON AFRICA AND INTERNATIONAL ECONOMIC POLICY AND TRADE OF HIRC REGARDING U.S. POLICY TOWARD SOUTH AFRICA. TEXT OF MR. MOOSE'S STATEMENT FOLLOWS:

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3. LET ME BEGIN BY NOTING THAT THE ADMINISTRATION IS IN FULL AGREEMENT WITH WHAT WE SEE AS THE UNDERLYING OBJECTIVES, ALTHOUGH EXPRESSED DIFFERENTLY IN EACH, OF ALL THREE BILLS:

4. 1) TO DRIVE HOME TO THE SOUTH AFRICAN GOVERNMENT THE NECESSITY OF FUNDAMENTAL POLITICAL CHANGE, AWAY FROM APARTHEID AND TOWARD A SYSTEM IN WHICH ALL SOUTH AFRICANS CAN PARTICIPATE;

5. 2) TO MAKE CLEAR TO SOUTH AFRICA THAT IF SUCH CHANGE DOES NOT OCCUR, RELATIONS BETWEEN OUR TWO COUNTRIES WILL INEVITABLY DETERIORATE; AND

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WE HAVE DEVELOPED OUR POLICY TOWARD SOUTH AFRICA.

8. IN MAY OF LAST YEAR, WE INFORMED THE SOUTH AFRICAN GOVERNMENT THAT WE FELT IT ESSENTIAL THAT THEY MOVE AWAY FROM DISCRIMINATION AND APARTHEID AND TOWARD A SYSTEM IN WHICH ALL SOUTH AFRICANS--WHITE AND NONWHITE--WOULD SHARE IN MAKING BASIC DECISIONS ABOUT THE FUTURE OF THAT SOCIETY. WE MADE IT CLEAR THAT, IN THE ABSENCE OF MEANINGFUL PROGRESS, RELATIONS BETWEEN OUR COUNTRIES WOULD BE ADVERSELY AFFECTED.

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AFRICA BEEN ILLUSTRATED BY ACTIONS TAKEN BY THE EXECUTIVE BRANCH ALONE. THE ACTION OF THE CONGRESS LATE LAST YEAR IN PASSING THE COLLINS RESOLUTION SHOULD HAVE LEFT NO DOUBT ABOUT THE DEPTH AND BREADTH OF PUBLIC AND CONGRESSIONAL CONCERN ABOUT SOUTH AFRICA'S INTERNAL POLICIES. THIS CONCERN IS REFLECTED IN THE VARIOUS LEGISLATIVE PROPOSALS WHICH HAVE BEEN ADVANCED, AND ALSO IN THE MANY UNCLASSIFIED

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11. IN THIS CONNECTION, THE ADMINISTRATION STRONGLY BELIEVES THAT AMERICAN CORPORATIONS OPERATING IN SOUTH AFRICA CAN AND SHOULD ACT AS A POSITIVE FORCE FOR CHANGE THROUGH THE ADOPTION OF ENLIGHTENED LABOR PRACTICES. IN 1973 AND 1974, THE DEPARTMENT OF STATE ISSUED STATEMENTS OF PRINCIPLES FOR U.S. FIRMS WITH SUBSIDIARIES IN SOUTH AFRICA. WE HAVE ENDORSED THE PRIVATE EFFORTS OF THE REVEREND LEON SULLIVAN AND HIS STATEMENT OF PRINCIPLES, AND WE NOTE THAT 103 AMERICAN FIRMS REPRESENTING THE VAST MAJORITY OF EMPLOYEES IN QUESTION HAVE SUBSCRIBED TO THE PRINCIPLES, AND WOULD ADD THAT THE ADMINISTRATION WILL FOLLOW WITH INTEREST THE RECENT EXPANSION AND ELABORATION OF THE SULLIVAN PRINCIPLES.



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18. AT THE BEGINNING OF THE ADMINISTRATION, THE DECISION WAS MADE THAT WE MUST WORK FOR PROGRESS ON ALL THREE PROBLEMS--RHODESIA, NAMIBIA AND SOUTH AFRICA ITSELF. WE BELIEVED THAT IT WAS IN SOUTH AFRICA'S INTEREST TO HELP ASSURE PEACEFUL CHANGE IN THE NEIGHBORING COUNTRIES, AND THAT IT WOULD WORK ON THESE PROBLEMS EVEN THOUGH OUR OPPOSITION TO ITS INTERNAL POLICIES WAS -- AND IS -- CLEAR. WE BELIEVE THIS ASSUMPTION HOLDS TRUE.  
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19. WE ARE NOW AT A CRITICAL STAGE IN NEGOTIATIONS ON NAMIBIA AND RHODESIA, AND OUR ABILITY TO WORK WITH SOUTH AFRICA FOR PEACEFUL CHANGE IS EXTREMELY IMPORTANT. IT IS ESSENTIAL TO GAIN SOUTH AFRICA'S CONFIDENCE THAT WE ARE GENUINELY COMMITTED TO SOLUTIONS TO THE RHODESIA AND NAMIBIA PROBLEMS WHICH WILL ENABLE ALL GROUPS TO WORK TOGETHER AND WILL PROTECT THE RIGHTS OF ALL INDIVIDUALS. A SIGNIFICANT ACT TAKEN NOW TO REDUCE OUR TIES WITH SOUTH AFRICA, SUCH AS PROHIBITING NEW INVESTMENT, COULD REINFORCE SOUTH AFRICAN SUSPICIONS THAT OUR EFFORTS ARE AIMED AGAINST THE WHITE MINORITIES OF SOUTHERN AFRICA.

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I HAVE DISCUSSED ABOVE--HOW TO PURSUE A POLICY TOWARD SOUTH AFRICA WHICH IS FIRM, MEASURED AND CALCULATED TO PROMOTE FUNDAMENTAL CHANGE FROM WITHIN. THIS IS A DIFFICULT ISSUE. MANY DIFFERENT COURSES OF ACTION ARE ADVOCATED; SOME URGE MUCH STRONGER ACTION, AND OTHERS URGE WHAT UNCLASSIFIED

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23. COMMERCE AND TREASURY REPRESENTATIVES ALSO PRESENTED STATEMENTS WHICH ARE BEING POUCHED TO PRETORIA. CHRISTOPHER UNQUOTE CHRISTOPHER

NOTE BY OC/T: ORIGINAL DIST.: AF/ISO,SS,H,PA,ICA,SP,NSC,  
EB,HA,IO,INTE,COME,TRSE,

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ORIGIN AF-10

INFO OCT-01 NEA-10 ISO-00 SIG-03 /024 R

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DRAFTED BY:AF/E:GBEYER  
APPROVED BY:AF/E:GBEYER  
NEA:JCOLLINS

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FM SECSTATE WASHDC

INFO RUTABA/AMEMBASSY ADDIS ABABA 0000

AMEMBASSY PORT LOUIS

AMEMBASSY ANTANANARIVO

AMEMBASSY DJIBOUTI

AMEMBASSY KHARTOUM

AMEMBASSY MOGADISCIO

AMEMBASSY NAIROBI

AMEMBASSY VICTORIA

AMEMBASSY CAIRO

AMEMBASSY JIDDA

AMEMBASSY SANA

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

UNCLAS STATE 204226

FOL STATE 204226 SENT INFO USMISSION NEW YORK LAGOS DAR  
ES SALAAM MAPUTO GABORONE LUSAKA  
AUG 29, 1978

QUOTE UNCLAS STATE 204226

FOLLOWING REPEAT STATE 204226 ACTION PRETORIA JOHANNESBURG  
CAPE TOWN DURBAN AUG 11.

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E.O. 11652: N/A

TAGS: PINT, EINV, SF

SUBJECT: MR. MOOSE'S TESTIMONY BEFORE HIRC AUGUST 10

1. ASSISTANT SECRETARY MOOSE TESTIFIED AUGUST 10  
BEFORE JOINT SUBCOMMITTEES ON AFRICA AND INTERNATIONAL  
ECONOMIC POLICY AND TRADE OF HIRC REGARDING U.S.  
POLICY TOWARD SOUTH AFRICA. TEXT OF MR. MOOSE'S  
STATEMENT FOLLOWS:

2. MR. CHAIRMAN, I AM PLEASED TO BE HERE TODAY ON BEHALF OF THE DEPARTMENT OF STATE TO TESTIFY ON H.R. 12463, INTRODUCED BY CONGRESSMAN SOLARZ, AND ALSO TO COMMENT ON THE BILLS INTRODUCED BY CHAIRMAN DIGGS AND REPRESENTATIVE BINGHAM. I HAVE A FAIRLY BRIEF STATEMENT AND THEN WILL ANSWER ANY QUESTIONS YOU AND YOUR COLLEAGUES MAY HAVE.

3. LET ME BEGIN BY NOTING THAT THE ADMINISTRATION IS IN FULL AGREEMENT WITH WHAT WE SEE AS THE UNDERLYING OBJECTIVES, ALTHOUGH EXPRESSED DIFFERENTLY IN EACH, OF ALL THREE BILLS:

4. 1) TO DRIVE HOME TO THE SOUTH AFRICAN GOVERNMENT THE NECESSITY OF FUNDAMENTAL POLITICAL CHANGE, AWAY FROM APARTHEID AND TOWARD A SYSTEM IN WHICH ALL SOUTH AFRICANS CAN PARTICIPATE;

5. 2) TO MAKE CLEAR TO SOUTH AFRICA THAT IF SUCH CHANGE DOES NOT OCCUR, RELATIONS BETWEEN OUR UNCLASSIFIED

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TWO COUNTRIES WILL INEVITABLY DETERIORATE; AND

6. 3) TO ENCOURAGE U.S. FIRMS THAT ARE ALREADY OPERATING IN SOUTH AFRICA TO ADOPT ENLIGHTENED LABOR PRACTICES.

7. I MIGHT BEGIN HERE BY RECALLING THE CONCERN EXPRESSED BY SECRETARY VANCE ON JUNE 20 IN ADDRESSING THE PROBLEMS OF SOUTHERN AFRICA. A BASIC PREMISE OF OUR POLICY IS THAT CHANGE -- FUNDAMENTAL CHANGE -- IS COMING IN THAT PART OF THE CONTINENT. IT IS OUR BELIEF THAT IT SHOULD. AND IT IS OUR HARD-HEADED ASSESSMENT THAT IT WILL. THE QUESTION -- THE ONLY REAL QUESTION -- IS WHETHER THAT CHANGE WILL BE PEACEFUL OR VIOLENT, CONSTRUCTIVE OR DESTRUCTIVE. OUR COMMITMENT, ABOUT WHICH THERE SHOULD BE NO DOUBT WHATSOEVER, IS FOR PEACEFUL CHANGE. WE HAVE SOUGHT TO DEVELOP POLICIES THAT WILL PROMOTE IT. IT IS AGAINST THIS BACKDROP THAT WE HAVE DEVELOPED OUR POLICY TOWARD SOUTH AFRICA.

8. IN MAY OF LAST YEAR, WE INFORMED THE SOUTH AFRICAN GOVERNMENT THAT WE FELT IT ESSENTIAL THAT THEY MOVE AWAY FROM DISCRIMINATION AND APARTHEID AND TOWARD A SYSTEM IN WHICH ALL SOUTH AFRICANS-- WHITE AND NONWHITE--COULD SHARE IN MAKING BASIC DECISIONS ABOUT THE FUTURE OF THAT SOCIETY. WE MADE IT CLEAR THAT, IN THE ABSENCE OF MEANINGFUL PROGRESS, RELATIONS BETWEEN OUR COUNTRIES WOULD BE

ADVERSELY AFFECTED.

9. OUR ACTIONS TO DATE, IN PURSUIT OF THAT POLICY, HAVE INCLUDED SUPPORT OF THE UN MANDATORY ARMS EMBARGO, WITHDRAWAL OF OUR NAVAL ATTACHE, AND AN EMBARGO--AT OUR OWN INITIATIVE--ON ANY EXPORTS TO OR FOR THE SOUTH AFRICAN MILITARY AND POLICE.  
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TAKEN TOGETHER, THESE ACTIONS HAVE CONVEYED A STRONG AND SERIOUS MESSAGE TO PRETORIA.

10. NOR HAS REACTION TO THE SITUATION IN SOUTH

AFRICA BEEN ILLUSTRATED BY ACTIONS TAKEN BY THE EXECUTIVE BRANCH ALONE. THE ACTION OF THE CONGRESS LATE LAST YEAR IN PASSING THE COLLINS RESOLUTION SHOULD HAVE LEFT NO DOUBT ABOUT THE DEPTH AND BREADTH OF PUBLIC AND CONGRESSIONAL CONCERN ABOUT SOUTH AFRICA'S INTERNAL POLICIES. THIS CONCERN IS REFLECTED IN THE VARIOUS LEGISLATIVE PROPOSALS WHICH HAVE BEEN ADVANCED, AND ALSO IN THE MANY ACTIONS TAKEN BY UNIVERSITIES, BANKS, CORPORATIONS AND OTHER PRIVATE ORGANIZATIONS--ALL DESIGNED IN ONE WAY OR ANOTHER, TO EXPRESS CONCERN ABOUT THE SITUATION IN SOUTH AFRICA AND TO RESPOND TO IT.

11. IN THIS CONNECTION, THE ADMINISTRATION STRONGLY BELIEVES THAT AMERICAN CORPORATIONS OPERATING IN SOUTH AFRICA CAN AND SHOULD ACT AS A POSITIVE FORCE FOR CHANGE THROUGH THE ADOPTION OF ENLIGHTENED LABOR PRACTICES. IN 1973 AND 1974, THE DEPARTMENT OF STATE ISSUED STATEMENTS OF PRINCIPLES FOR U.S. FIRMS WITH SUBSIDIARIES IN SOUTH AFRICA. WE HAVE ENDORSED THE PRIVATE EFFORTS OF THE REVEREND LEON SULLIVAN AND HIS STATEMENT OF PRINCIPLES, AND WE NOTE THAT 103 AMERICAN FIRMS REPRESENTING THE VAST MAJORITY OF EMPLOYEES IN QUESTION HAVE SUBSCRIBED TO THE PRINCIPLES, AND WOULD ADD THAT THE ADMINISTRATION WILL FOLLOW WITH INTEREST THE RECENT EXPANSION AND ELABORATION OF THE SULLIVAN PRINCIPLES.

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12. WE ARE UNDER NO ILLUSIONS THAT THE STEPS WE HAVE TAKEN HAVE INDUCED THE SOUTH AFRICANS TO FUNDAMENTALLY CHANGE THEIR PRESENT POLICY. BY ITS ACTIONS, INACTIONS AND STATEMENTS, THE SOUTH AFRICAN GOVERNMENT HAS CLEARLY INDICATED ITS INTENTION TO ADHERE TO THE BASICS OF APARTHEID.

WE DO BELIEVE, HOWEVER, THAT THE BEST WAY TO ACHIEVE OUR OBJECTIVES IN SOUTH AFRICA IS BY STEADY, RESOLUTE APPLICATION OF OUR STATED POLICY.

13. UNFORTUNATELY, EVEN SHOULD WE WISH IT OTHERWISE, OUR OPTIONS ARE LIMITED. FOR THAT REASON, WE BELIEVE IT ESSENTIAL TO USE THOSE STEPS AT OUR DISPOSAL IN WAYS AND AT TIMES WHEN WE JUDGE THEY WOULD HAVE MAXIMUM EFFECT. THE ACTIONS AND EXPRESSIONS OF THE US AND OTHER MEMBERS OF THE WORLD COMMUNITY HAVE PUT A MEASURE OF PRESSURE ON SOUTH AFRICA; WE FEEL IT ESSENTIAL TO GIVE THESE ACTIONS TIME TO

WORK.

14. A MAJOR SHIFT IN THE U.S. GOVERNMENT'S POSITION WITH RESPECT TO U.S. PRIVATE INVESTMENTS IN SOUTH AFRICA WOULD REPRESENT A FUNDAMENTAL CHANGE IN OUR POLICY TOWARD SOUTH AFRICA. AS SUCH, IT WOULD HAVE FAR-REACHING CONSEQUENCES FOR U.S.-SOUTH AFRICAN RELATIONS. I HOPE THAT POSITIVE CHANGES IN SOUTH AFRICA'S RACIAL POLICIES WILL OBTAIN THE NEED FOR ANY SUCH ACTION. IF EVENTS PROVE OTHERWISE, WE MAY HAVE TO CONSIDER THE INVESTMENT QUESTION. THERE ARE, OF COURSE, A VARIETY OF WAYS IN WHICH THIS MIGHT BE APPROACHED -- FOR EXAMPLE, DISCOURAGEMENT BY ADMINISTRATIVE ACTION, AS OPPOSED TO PROHIBITION BY LEGISLATIVE ACTION. THE LATTER POSES CERTAIN SPECIFIC DIFFICULTIES, WHICH MY COLLEAGUES WILL BE ADDRESSING IN THIS TESTIMONY.

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15. ONE CONCERN OF THE ADMINISTRATION IS THAT LEGISLATION ENACTED NOW WOULD PREEMPT US FROM ACTING IN THE ECONOMIC AREA IN A MANNER AND AT A MOMENT MORE LIKELY TO PRODUCE POSITIVE CHANGES IN SOUTH AFRICA. WE DO NOT FEEL, FOR VARIOUS REASONS, THAT NOW IS THE BEST TIME. LET ME TOUCH BRIEFLY ON THESE.

16. SOUTH AFRICA'S REACTION TO INCREASING UNITED STATES AND INTERNATIONAL PRESSURE AGAINST APARTHEID HAS BEEN HOSTILE. AMERICAN POLICIES IN PARTICULAR HAVE BEEN ATTACKED BY SOUTH AFRICAN LEADERS AS DESTRUCTIVE AND INSENSITIVE TO THE FUTURE OF WHITES, THEIR RIGHTS AND THEIR SECURITY. IN OUR VIEW NOTHING COULD BE FURTHER FROM THE TRUTH. WE HAVE TRIED, UNFORTUNATELY WITH LITTLE SUCCESS, TO PERSUADE SOUTH AFRICAN LEADERS THAT WE CARE ABOUT THE RIGHTS OF ALL THE CITIZENS OF SOUTH AFRICA AND THAT WE DO NOT WISH TO SEE THE WHITES DRIVEN FROM THEIR HOME. BUT, AS WE SEE IT, ONLY THROUGH

MEANINGFUL EXCHANGE OF VIEWS BY REPRESENTATIVES OF ALL GROUPS, CAN CHANGE COME IN A WAY THAT WILL ASSURE THE RIGHTS OF ALL THE PEOPLE OF SOUTH AFRICA.

17. PROBABLY THE MOST IMPORTANT THING WE COULD DO NOW TO PROMOTE CONSTRUCTIVE CHANGE IN SOUTH AFRICA

IS TO ACHIEVE JUST AND PEACEFUL SETTLEMENTS IN RHODESIA AND NAMIBIA. IF THESE PROBLEMS ARE RESOLVED THROUGH DEMOCRATIC ELECTIONS, WITH PROTECTION OF THE RIGHTS OF ALL INDIVIDUALS, BLACK AND WHITE, UNCLASSIFIED

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IT WILL DO MORE TO ENCOURAGE SIMILAR CHANGE IN SOUTH AFRICA THAN ANYTHING THE UNITED STATES MIGHT DO NOW IN OUR BILATERAL ECONOMIC RELATIONS.

18. AT THE BEGINNING OF THE ADMINISTRATION, THE DECISION WAS MADE THAT WE MUST WORK FOR PROGRESS ON ALL THREE PROBLEMS--RHODESIA, NAMIBIA AND SOUTH AFRICA ITSELF. WE BELIEVED THAT IT WAS IN SOUTH AFRICA'S INTEREST TO HELP ASSURE PEACEFUL CHANGE IN THE NEIGHBORING COUNTRIES, AND THAT IT WOULD WORK ON THESE PROBLEMS EVEN THOUGH OUR OPPOSITION TO ITS INTERNAL POLICIES WAS -- AND IS -- CLEAR. WE BELIEVE THIS ASSUMPTION HOLDS TRUE.

19. WE ARE NOW AT A CRITICAL STAGE IN NEGOTIATIONS ON NAMIBIA AND RHODESIA, AND OUR ABILITY TO WORK WITH SOUTH AFRICA FOR PEACEFUL CHANGE IS EXTREMELY IMPORTANT. IT IS ESSENTIAL TO GAIN SOUTH AFRICA'S CONFIDENCE THAT WE ARE GENUINELY COMMITTED TO SOLUTIONS TO THE RHODESIA AND NAMIBIA PROBLEMS WHICH WILL ENABLE ALL GROUPS TO WORK TOGETHER AND WILL PROTECT THE RIGHTS OF ALL INDIVIDUALS. A SIGNIFICANT ACT TAKEN NOW TO REDUCE OUR TIES WITH SOUTH AFRICA, SUCH AS PROHIBITING NEW INVESTMENT, COULD REINFORCE SOUTH AFRICAN SUSPICIONS THAT OUR EFFORTS ARE AIMED AGAINST THE WHITE MINORITIES OF SOUTHERN AFRICA.

20. THIS DOES NOT, IN ANY WAY, MEAN THAT WE ARE CHANGING OUR POLICY WITH REGARD TO APARTHEID. IT DOES MEAN THAT WE NEED TO ACT WITH A CAREFUL REGARD FOR TIMING AND FOR THE ACTUAL EFFECTS OF OUR DECISIONS ON SOUTH AFRICAN DECISIONS. IF WE PERSUADE THE WHITE SOUTH AFRICANS THAT WE ARE SIMPLY HOSTILE TO THEM -- RATHER THAN TO APARTHEID -- WE GIVE UP THE POSSIBILITY OF INFLUENCING THEM UNCLASSIFIED



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CONSTRUCTIVELY.

21. I HAVE NO DOUBT THAT THIS LEGISLATION, IF ENACTED, WOULD BE APPLAUDED BY SOME AS A FURTHER STEP IN THE RIGHT DIRECTION. BUT I BELIEVE THAT EVEN IF THIS ACTION SATISFIED THOSE WHO HAVE URGED STRONGER ACTION, IT WOULD NOT ADDRESS THE QUESTION

I HAVE DISCUSSED ABOVE--HOW TO PURSUE A POLICY TOWARD SOUTH AFRICA WHICH IS FIRM, MEASURED AND CALCULATED TO PROMOTE FUNDAMENTAL CHANGE FROM WITHIN. THIS IS A DIFFICULT ISSUE. MANY DIFFERENT COURSES OF ACTION ARE ADVOCATED; SOME URGE MUCH STRONGER ACTION, AND OTHERS URGE WHAT WOULD BE, IN EFFECT, A REVERSION TO PREVIOUS POLICY. WHAT WE OURSELVES MUST DO IS ASSESS THE SITUATION AS BEST WE CAN, AND CAREFULLY DEVISE POLICIES CALCULATED TO ADVANCE OUR OBJECTIVES--IN SOUTH AFRICA AND IN THE REGION--WITH MAXIMUM EFFECTIVENESS. THAT IS WHAT WE HAVE DONE AND ARE DOING.

22. WE WILL CONTINUE TO FOLLOW THE SITUATION CLOSELY, TO MONITOR EVENTS WITHIN SOUTH AFRICA, AND TO REVIEW THE VARIOUS POLICY OPTIONS AVAILABLE TO US IN LIGHT OF THE CIRCUMSTANCES. WE CERTAINLY DO NOT RULE OUT FUTURE ACTIONS--EITHER DIRECTLY BY THE EXECUTIVE UNDER EXISTING AUTHORITY, OR BY MEANS OF NEW LEGISLATION WHICH WE WOULD RECOMMEND TO THE CONGRESS. THE KEY TEST, LET ME RE-ITERATE, WILL BE WHETHER AND TO WHAT DEGREE THE SOUTH AFRICAN GOVERNMENT SHOWS A WILLINGNESS TO RECONSIDER ITS EXISTING POLICIES AND MOVE--AS WE CONSIDER ON BOTH MORAL AND INTENSELY PRACTICAL GROUNDS IT MUST--IN THE DIRECTION OF FUNDAMENTAL CHANGE. END OF TEXT.

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23. COMMERCE AND TREASURY REPRESENTATIVES ALSO PRESENTED STATEMENTS WHICH ARE BEING POUCHED TO PRETORIA. CHRISTOPHER UNQUOTE CHRISTOPHER UNQUOTE VANCE

NOTE BY OC/T: ORIGINAL DIST: AF/ISO,SS,H,PA,ICA,SP,NSC,EB,HA, IO,INTE,COME,TRSE.

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